

Federal Family Education Loan Program (FFELP)
Federal Consolidation Loan
Application and Promissory Note

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1097.

Guarantor, Lender or Program Identification

OMB No. XXXX-XXXX
Form Approved
Exp. Date XX/XX/XX

Section A. Borrower Information (Please print in dark ink or type. Read the Instructions carefully.)

1. Last Name			First Name	MI	2. Social Security Number		3. Home Telephone Number ()	
4. Permanent Street Address (If P.O. Box, see instructions.)					5. Former Name(s)		6. Date of Birth (Month/Day/Year)	
City			State	Zip Code	7. Driver's License State and Number State #		8. Fax and E-mail address (optional) Fax ()	
9. Employer Name				Address				E-mail
City			State	Zip Code	Employer Telephone Number ()			
10. Consolidation Lender Name				City	State	Zip	11. Lender Code, if known	

Section B. Spouse Information (Only complete if spouse has eligible loans you wish to consolidate jointly with yours.)

12. Last Name			First Name	MI	13. Social Security Number		14. Date of Birth (Month/Day/Year)	
15. Former Name(s)					16. Driver's License State and Number State #		17. Fax and E-mail address (optional) Fax ()	
18. Employer Name				Address				E-mail
City			State	Zip Code	Employer Telephone Number ()			

Section C. Reference Information

19. **References:** You must provide two separate references with different U.S. addresses. Do not include individuals who live with you (e.g., spouse) or live outside the United States. Both references must be completed fully and should be relatives or acquaintances (of you and your spouse if you are consolidating jointly) you have known for at least three years.

Name	A.	_____	B.	_____
Permanent Address		_____		_____
City, State, Zip Code		_____		_____
Area Code/Telephone	()	_____	()	_____
Relationship to Borrower		_____		_____

Section D. Education Loan Indebtedness (Read the Instructions before completing this section.)

List the education loans that you want to consolidate and the loans that you are not consolidating but want considered in calculating your maximum repayment period. If you need to list additional loans, use the Additional Loan Listing Sheet included in this package. Do not include your spouse's loans unless you completed Section B. Use the Loan Types listed in the Instructions.

20. Loan Type (See Instructions)	21. Lender/Service Name and Address	22. B = Borrower S = Spouse J = Joint	23. Account Number	24. Interest Rate	25. Current Balance	26. To Be Consolidated Yes No	

27. **Borrowers Currently in Grace Period Only** - If you wish to delay processing until you have completed your grace period, enter your expected grace end date. If you do not wish to delay processing, leave this field blank.

Grace End Date (Month/Year) _____

Section E. Repayment Options (Refer to application materials or contact the lender before completing the section.)

28. **Repayment Options** (select one): A. ☐ Standard Payments B. ☐ Graduated Payments C. ☐ Income-sensitive Payments D. ☐ Extended Payments

Note 1: If you do not complete this item, the lender will provide a Standard Payment schedule not to exceed the maximum repayment period allowable for the amount of your loan.

Note 2: For any of the payment plans, you may request a repayment period that is shorter than the maximum allowed. Contact your lender for more information.

Section F. Promissory Note (In this Note, "lender" refers to, and this Note benefits, the original lender and its successors and assigns, including any subsequent holder of this Note.)

29. **Promise to Pay:**
I promise to pay to the order of the lender, all sums disbursed (hereafter "loan") under the terms of this Promissory Note (hereafter "Note") to discharge my prior loan obligations, plus interest and other charges and fees that may become due as provided in this Note. I accept the obligation to repay the loan. Unless I make interest payments, interest that accrues on the unsubsidized portion of my loan during deferment periods will be added, as provided under the Act, to the principal balance of the loan. If I fail to make any payment on the loan made under this Note when due, I will also pay reasonable collection costs, including but not limited to attorney's fees, court costs and other fees.

I understand that the amount of the loan will be based on the payoff balance(s) of such loan(s) selected for consolidation as provided by the holder(s) of such loan(s) and may exceed my estimate of such payoff balance(s). The payoff amount may differ from the estimate because the holder will include unpaid principal, unpaid accrued interest, and other costs as permitted by federal regulations in the payoff reported to the consolidation lender. I understand that if any collection costs are owed on the loans selected for consolidation, these costs may be added to the principal balance of the consolidation loan and, in the case of Stafford, SLS, PLUS or Federal Consolidation Loans in default and held by a guaranty agency, may not exceed 18.5% of the outstanding principal and interest on the loan at the time the holder certifies the payoff balance. I authorize the lender to contact the holder(s) identified on my application to determine the eligibility and payoff figure for the loan(s) I have identified for consolidation and to payoff the eligible loans selected for consolidation. I further authorize those holder(s) to release that information.

I will not sign this Note before reading the entire Note even if otherwise advised. I am entitled to an exact copy of this Note and the Borrower's Rights and Responsibilities statement. My signature certifies I have read, understand, and agree to the terms and conditions of this Note, including the Borrower Certifications and Authorizations and the Borrower's Rights and Responsibilities statement. I understand I may no longer be eligible for subsidized deferment periods on some loans being consolidated. I also understand that I might not be eligible for some loan discharges that were available on the loans being consolidated.

If applying for a loan with my spouse, we understand that by signing this Note, all references to "I", "me" and "my" in the Promissory Note, Borrower's Rights and Responsibilities statement, Borrower Certification and Authorization as well as other materials provided to me in connection with this loan are equally applicable to me and my spouse unless otherwise stated. In addition, we confirm that we are legally married to each other and we understand and agree that we are and will continue to be held jointly and severally liable for the entire amount of the debt represented by the Federal Consolidation Loan without regard to the amounts of our individual loan obligations that are consolidated and without regard to any change that may occur in our marital status. We understand that the Federal Consolidation Loan will be discharged only if both of us qualify for discharge. We further understand that we may postpone repayment of the loan only if we provide the lender with a request that confirms deferment or forbearance eligibility for both of us. **We understand that one of us may be required to pay the entire amount due if the other is unable or refuses to pay.**

THIS IS A LOAN THAT MUST BE REPAYED.

30. Borrower's Signature _____	Today's Date (Month/Day/Year) _____
31. Spouse's Signature (if consolidating jointly and Section B is completed) _____	Today's Date (Month/Day/Year) _____

Additional Note provisions follow.

Promissory Note *(continued)*

Disclosure of Terms

At or about the time my former loans are discharged, a disclosure statement and repayment schedule (“disclosure”) will be issued to me identifying the amount of the Federal Consolidation Loan and additional terms of the loan. If I have questions concerning the information disclosed, I will contact the lender. If the disclosure includes specific terms and information about my loan that are different from the terms and information in the Note, the specific terms and information on the disclosure apply to my loan.

Important additional terms of this loan are disclosed in the Borrower’s Rights and Responsibilities statement accompanying this Note.

I agree that the lender may assign my loan to another holder.

Interest

Unless my lender notifies me in writing of a lower rate, the formula for the rate of interest for my Federal Consolidation Loan is specified in the Higher Education Act of 1965, as amended, 20 U.S.C., et seq., and applicable U.S. Department of Education regulations (collectively referred to as the “Act”).

Interest accrues on the unpaid principal balance of my Federal Consolidation Loan from the date of disbursement by the lender until the loan is paid in full. I agree to pay interest on the principal amount of my loan from the date of disbursement until the loan is paid in full except interest payable by the federal government under the Act. If I fail to make required payments of interest during a period of authorized deferment or forbearance, I agree that the lender may capitalize such interest as provided under the Act.

Except for any portion of the Federal Consolidation Loan attributable to HEAL, the loan will bear simple interest at an annual rate which is fixed for the term of the loan. The maximum interest rate on this loan will be equal to the weighted average of the interest rates (as certified by the holder) on the loans consolidated, rounded up to the nearest 1/8th percent not to exceed 8.25 percent.

If I choose to consolidate a fixed rate Federal ALAS/SLS Loan(s) or Federal PLUS Loan(s), I request that the existing interest rate of each loan be converted before consolidation to the refinancing rate provided for in the Act, if that rate is lower than the existing rate. If my lender grants this request, I understand there will be no separate document evidencing this refinancing.

For the portion of the Federal Consolidation Loan attributable to HEAL (if applicable), the interest rate is a variable rate and is adjusted annually on July 1. The variable rate for each 12-month period will be equal to the average of the bond equivalent rates of the 91-day Treasury Bills auctioned for the quarter ending June 30, plus 3.0 percent; there is no maximum interest rate on this portion of the loan.

180 Day Add-On Provision

If I do not consolidate all eligible loans at this time, I understand I may later add additional eligible loans made before or after the date of this consolidation. The Request to Add Loans must be received by the lender within 180 days of the date this Federal Consolidation Loan is made. To add an additional loan(s), I understand I must complete the required form provided by the lender. If I add a loan during this period, the lender will disclose new terms to me. The new terms and information will supercede the terms and information in the prior disclosure. After that 180-day period, no loan which is currently eligible and outstanding can be added to this Federal Consolidation Loan.

Late Charges and Collection Costs

The lender may collect from me: (i) a late charge for each late installment payment if I fail to make any part of a required installment payment within 15 days after it becomes due, and (ii) any other charges and fees that are permitted by the Act for the collection of my loans. If I default on the loan, I must pay reasonable collection fees and costs, plus court costs and attorney fees.

Repayment

I am obligated to repay the full amount of the loan made under this Note and the interest that accrues on that amount. Repayment shall begin upon disbursement; the first payment will be due within 60 days after the disbursement of my Federal Consolidation Loan. Payments will be scheduled in monthly installments according to the disclosure. Payments submitted by me or on my behalf (exclusive of refunds) may be applied first to late charges and collection costs that are due, then to accrued interest that has not been capitalized, and finally to the principal amount. The lender will

provide me a disclosure that states my payment amount and due date. The maximum scheduled repayment period may be up to 30 years in length, depending upon the amount of the student loan indebtedness. The minimum payment on my loan must equal the amount of interest that accrues between scheduled payments.

If I am unable to make my scheduled loan payments, the lender may allow me to reduce my payment amount, to extend the time for making payments, or to temporarily stop making payments as long as I intend to repay my loan. Allowing me to temporarily delay or reduce loan payment is called forbearance. I agree my lender may grant me a forbearance for purposes of aligning payment due dates on my loans or to eliminate any delinquency that persists even though I am making payments.

I may prepay all or any part of the unpaid balance on my loan at any time without penalty. I agree to accept written notification of such payoff in place of receiving the original Note.

Acceleration and Default

At the option of the lender, the entire unpaid balance shall become immediately due and payable when any one of the following events occurs:

- (i) I make a false representation that results in my receiving a loan for which I am not eligible;
- or (ii) I default on the loan.

The following events shall constitute a default on a loan: (i) I fail to pay the entire unpaid balance after the lender has exercised its option under items (i), or (ii) in the preceding paragraph; (ii) I fail to make installment payments when due and my failure persists for at least 270 days; or (iii) I fail to comply with other terms of the loan, and the lender and guarantor reasonably conclude I no longer intend to honor my repayment obligation. If I default, the guarantor may purchase my loan and capitalize all the outstanding interest into a new principal balance. I will be responsible for collection costs.

If I default, the default will be reported to all national credit bureau organizations and will significantly and adversely affect my credit history. I acknowledge that a default shall have additional adverse consequences to me as disclosed in the

Borrower’s Rights and Responsibilities statement. Following default, the loan may be subject to income-contingent repayment (including potential collection of amounts in excess of the principal and interest) in accordance with the Act.

Governing Law and Notices

The terms of this Note will be interpreted according to the Higher Education Act of 1965, as amended (20 U.S.C. 1070 et seq.), other applicable federal statutes and regulations, and the guarantor’s policies. Applicable state law, except as preempted by federal law, may provide for certain borrower rights, remedies, and defenses in addition to those stated in this Note. I understand that I may qualify for a loan discharge where the institution closes, where my eligibility was falsely certified by the institution, or where my institution failed to make a refund on my behalf.

If I reside in the state where the guarantor’s principal office is located, the guarantor may sue to enforce the loan in the county where the guarantor’s office is located. However, if I object to being sued there and I mail a written objection to the guarantor that is postmarked no later than 30 days after I am served with the lawsuit, the guarantor will either have the court transfer the lawsuit to the county where I live or will dismiss the lawsuit.

Any notice required to be given to me will be effective if mailed by first class mail to the latest address the lender has for me. I will immediately notify the lender of change of address or status as specified in the Borrower’s Rights and Responsibilities statement. If the lender reasonably determines that this address is no longer my address, the notice will be effective if mailed to the latest address secured by the lender from the Department of Education or other reliable source. Failure by the lender to enforce or insist on compliance with any term on this Note shall not waive any right of the lender. No provision of this Note may be modified or waived except in writing by the lender of the Note. If any provision of this Note is determined to be unenforceable, the remaining provisions shall remain in force.

Borrower Certification and Authorization

I declare under penalty of perjury that the following is true and correct:

- (1) I certify that the information I have provided on this Application and Promissory Note is true, complete, and correct to the best of my knowledge and belief and is made in good faith.
- (2) I certify that I do not now owe a refund on a Federal Pell Grant, Supplemental Educational Opportunity Grant, or a Leveraging Educational Assistance Partnership Grant (formerly State Student Incentive Grant), and that I am not now in default on any loan that I am consolidating or, if I am in default or owe a refund, I have (a) made satisfactory arrangements with the holder to repay the amount owed, or (b) for Stafford, SLS, PLUS, or Federal Consolidation Loans, I agree to repay the consolidation loan under income-sensitive repayment terms.
- (3) I certify that the loans I am consolidating are now in grace period or in repayment status.
- (4) I certify that I do not have any other application pending for a Federal Consolidation Loan with any other lender. If all of my FFELP loans are with one holder, and none of the loans I am consolidating are now held by the lender, I further certify that I have sought and been unable to obtain a Federal Consolidation Loan from the holder of my loans, or the holder declined to provide me with an income-sensitive repayment schedule.
- (5) I certify that if I have an outstanding Federal Consolidation Loan, I have subsequently borrowed additional loans to regain eligibility to consolidate in the FFEL program, except that I may consolidate my existing Federal Consolidation Loan only if I have at least one other outstanding eligible loan to include in the new consolidation.
- (6) I certify that all of the loans selected for consolidation have been used to finance my education, my spouse’s education, or my child’s education.
- (7) I certify that I am not subject to a judgment secured through litigation or to an order for wage garnishment, except as I have disclosed.

I also make the following authorizations:

- (8) I authorize the lender to issue the proceeds of my Federal Consolidation Loan to each holder of the loans I have identified to discharge the debt.
- (9) I authorize the lender, the guarantor or their agents, to investigate my credit record and report information concerning my loan status to persons and organizations permitted by law to receive such information.
- (10) I authorize the release of information pertinent to this loan: (i) by the school, lender, and the guarantor, or their agents, to the references on this loan and to members of my immediate family unless I submit written directions otherwise; and, (ii) by and among my schools, lenders, guarantors, the Department of Education, and their agents.
- (11) I authorize the Department of Education, and its agent(s), to verify my social security number with the Social Security Administration (SSA) and if the number on my loan record is incorrect, then I authorize SSA to disclose my correct social security number to these parties.
- (12) If I have HEAL loans serviced by the consolidation lender and such loans are not included in this consolidation loan, I authorize the establishment of a Combined Payment Plan on my behalf.
- (13) If the amounts my lender advances to my holder(s) exceeds the amount needed to payoff the balance(s) of the selected loan(s), I understand that the holder(s) will refund the excess to my consolidating lender for application against the outstanding balance of this loan. If the amount my lender advances to my holder(s) is less than the amount needed to pay off the balance(s) of the loan(s) selected for consolidation, I will be responsible for notifying my lender about these remaining amount(s). I authorize the lender to include the remaining amount(s) in this consolidation loan, unless I payoff the remaining balance.

Federal Family Education Loan Program (FFELP)	Guarantor, Lender or Program Identification
Instructions for Completing Federal Consolidation Loan Application and Promissory Note	
<i>Note: If you have any questions about completing this application, contact the entity listed above.</i>	

Section A, B, and C. Borrower, Spouse, and Reference Information

<i>Do not complete this form in pencil. Use dark ink or type. You are making several copies, so press firmly on a hard surface.</i> Note: Incorrect or incomplete information may delay the processing of your application. Items 1 - 9: Complete all borrower information (fax number and e-mail address are optional). Note: Enter your permanent home street address. If your mailing address is an RFD, post office box	or general delivery, list both in Item 4. Also, please provide us with a fax number or e-mail address if you would like us to contact you this way. Item 10: Enter the name and address of the lender you would like to finance your consolidation loan. Note: If the lender's name is preprinted in the Identification box in the upper right hand corner of the Application, you may leave this field blank. Item 11: If you know the lender code, enter it here. Otherwise, leave this field blank.	Items 12-18: Only complete if spouse has eligible loans you wish to consolidate jointly with yours. Fill in all spouse information (fax number and e-mail addresses are optional). Item 19: Complete all reference information. Both references must be completed fully and should be relatives or acquaintances (whom you have known for at least three years) of both you and your spouse if you are consolidating jointly.
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Section D. Education Loan Indebtedness

Your total education loan debt determines the maximum length of your consolidation loan repayment period. The loans eligible for consolidation into a Federal Consolidation Loan are:

SS Subsidized Federal Stafford Loans, formerly Guaranteed Student Loans (GSL)	HEAL Health Education Assistance Loans
DSS Direct Subsidized Stafford Loans	FISL Federal Insured Student Loans
US Unsubsidized and Nonsubsidized Federal Stafford Loans	PLUS Federal PLUS (Parent) Loans
DUS Direct Unsubsidized Stafford Loans	DPLUS Direct PLUS Loans
SLS Federal Supplemental Loans for Students (formerly Auxiliary Loans to Assist Students (ALAS) and Student PLUS Loans)	SCON Subsidized Federal Consolidation Loans
PERK Federal Perkins Loans, formerly National Defense/National Direct Student Loans (NDSL)	DSCON Direct Subsidized Consolidation Loans
HPSL Health Professions Student Loans, including Loans for Disadvantaged Students	UCON Unsubsidized Federal Consolidation Loans
	DUCON Direct Unsubsidized Consolidation Loan, including Direct PLUS Consolidation Loans
	NSL Federal Nursing Loans

Notes: The federal government will pay interest that accrues during deferment on that portion of the consolidation loan that repays subsidized Federal Stafford loans, subsidized Federal Direct Stafford loans, subsidized FISL loans, subsidized Federal Consolidation Loans and subsidized Federal Direct Consolidation Loans. You will be responsible for interest that accrues during deferment on the portion of the loan that repays other loan types. You may consolidate a Consolidation Loan only if you are combining that loan with at least one other outstanding eligible loan.

Step 1: Begin by listing (according to the instructions in Items 20-27) any eligible loans from the above list that you or you and your spouse jointly wish to consolidate. If you are in default on any loan that you wish to consolidate, you must have made satisfactory arrangements with the holder to repay the loan before it is eligible for consolidation. Satisfactory arrangements usually involve making a series of payments on the defaulted loans. For Federal Stafford, Federal SLS, Federal PLUS or Federal Consolidation Loans, satisfactory repayment arrangements involve making a series of reasonable and affordable payments or agreeing to repay the new consolidation loan under an income-sensitive repayment plan. Contact the holder of your defaulted loan for specific information.

Step 2: List eligible loans you do not wish to consolidate but want to use to determine repayment length and any other outstanding education loans that are not eligible for consolidation. These loans must be from an institution that makes loans (such as banks, schools, or state agencies) under a public or private loan program exclusively to finance postsecondary education. These loans will not be included in the consolidation loan but will be used to calculate your maximum repayment period. The maximum amount of other loans considered in determining your repayment period cannot exceed the amount to be consolidated. Personal loans from family or friends or loans in default may not be listed. If you are unsure of the correct information on your loans, call your lender or the servicer, or check your most recent correspondence from them.

Item 20: Enter the abbreviated name (as listed in bold print in Section D above) of the loan program from which you borrowed. If you are listing loans you are not consolidating but wish such loans to be considered when calculating your maximum repayment period, enter the loan type. Item 21: Enter the full name and mailing address of each lender/servicer of your education loans. (This is the address to which you are or will be sending your payments.) If the loan is a Perkins loan, enter the name of the school or the school's servicer to which you are or will be sending your payments.	Item 22: Enter a "B" for each loan that is yours, "S" if it is your spouse's loan, or "J" if it is jointly held. Item 23: Enter the account number for each loan. This is listed on your monthly billing statement or coupon. Item 24: Enter the interest rate you are paying on each loan. Item 25: Enter the estimated current account balance (payoff amount) as of today's date. Include any unpaid interest and late fees. Collection costs may also be included. Item 26: Indicate whether you wish to include each eligible loan in your Federal Consolidation Loan.	Item 27: If you are in your grace period (specified period of time after a student graduates or leaves school during which loan payments are not required and during which interest on loans may be payable by the federal government) for any of the loans selected for consolidation and you wish to delay processing until you have completed your grace period, enter the month and year that your grace period ends. If you request such a delay, processing of the consolidation loan will begin approximately 60-90 days before the end of the latest grace end date. If you do not wish to delay processing, leave this field blank.
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Section E. Repayment Options

Item 28: You may choose one of several repayment options for your Federal Consolidation Loan. (Refer to supplemental materials provided by the consolidation lender or call the lender for more information on repayment options.) If you do not complete this item, the lender will provide a standard payment schedule that does not exceed the maximum allowable repayment period for which you are eligible. The repayment term is 10 to 30 years depending on the amount of your student loan debt listed in Section D. You can request a maximum repayment period based on student loan debt or a repayment period that is shorter than the maximum period allowed.

- A. **Standard Payments** in which you will make equal payments. The final payment may be slightly larger or smaller.
- B. **Graduated Payments** in which your payments will be smaller in the beginning of repayment and gradually increase in stages over the course of the repayment period on the loan.
- C. **Income-sensitive Payments** in which the amount of your payments will be adjusted annually based on your expected total monthly gross income from employment and all other sources. Payments may increase or decrease. If you select this option, your initial repayment amount will be based on a standard or graduated payment plan unless otherwise specified in accompanying materials. After your consolidation loan is made, you will then be required to submit additional information to assist the lender in determining your new payment which is updated annually. You must also submit documentation of student loan debt. If you are consolidating jointly with your spouse, payments will be based on your total household income from all sources.
- D. **Extended Payments** in which you may repay over a 25-year period on a fixed or graduated payment plan if you have loans totaling in excess of \$30,000. Under the other repayment options available in the consolidation program, you must have at least \$40,000 in debt to qualify for a 25-year repayment period. If you have debt in excess of \$60,000 and wish to repay over a 30-year period, you should select one of the other repayment options (A-C).

Note: If all of your FFELP loans are with one holder and the holder is unable to provide you with an income-sensitive repayment schedule on your Federal Consolidation Loan (you must certify that you have sought and been unable to secure such a repayment schedule), you may obtain a Federal Consolidation Loan from another lender. If your FFELP loans are with multiple holders, you may request a Federal Consolidation Loan from any eligible lender. Alternatively, if you are a FFELP borrower and have not borrowed under the Federal Direct Loan Program and you are unable to secure a consolidation loan from an eligible lender or cannot secure a consolidation loan with income-sensitive terms, you may obtain a consolidation loan from the U. S. Department of Education.

Section F. Promissory Note

<i>This is a legally binding contract. Please carefully read the Promissory Note, Borrower Certification and Authorization, and Borrower's Rights and Responsibilities statement including the Privacy Act Notice.</i> Item 30: Sign and date the Promissory Note in dark ink. Item 31: If you and your spouse are jointly consolidating your loans, your spouse must also sign the Promissory Note and complete Section B.	Note: Signature(s) are required. If you or your spouse (if consolidating jointly) fail to sign the Promissory Note, your application will be delayed. Review all information on your Federal Consolidation Loan Application and Promissory Note. When it is complete, send the original copy to the consolidation lender. Keep a copy for your records. If you are applying with your spouse, make a copy for your spouse. Remember to continue making your regularly scheduled education loan payments until your	consolidation lender notifies you that the consolidation is complete. If you would like to temporarily suspend your payments while your consolidation loan is being processed, contact your holder regarding forbearance. When your loans are consolidated, you will receive a Repayment Schedule and Disclosure Statement for your Federal Consolidation Loan. It will provide information about your new loan and instructions on where to send your monthly payments.
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Mailing Instructions: Mail the original copy of the Application and Promissory Note and Additional Loan Listing Sheet (if completed) to your consolidation lender.

Borrower’s Rights and Responsibilities

FFELP Definition - The Federal Family Education Loan Program (FFELP) includes the following loans:

- Subsidized Federal Stafford Loan [formerly known as Guaranteed Student Loan (GSL)],
- Unsubsidized Federal Stafford Loan,
- Federal Insured Student Loan (FISL),
- Federal Supplemental Loans for Students (SLS), also known as ALAS,
- Federal PLUS (Parent) Loan, and
- Federal Consolidation Loan.

The FFELP is authorized by Title IV, Part B of the Higher Education Act of 1965 as amended.

1. Governing Law - A loan disbursed under this Federal Consolidation Note (“Note”) is subject to the Higher Education Act of 1965, as amended (20 U.S.C. 1070 et seq.), and applicable U.S. Department of Education regulations (collectively referred to as the “Act”).

Note: Any amendment to the Act governs the terms of my loan on or after the effective date of such amendment.

2. Change of Status - Federal Law requires me to notify my lender in writing if any of the following events occur before my loan is repaid:

- I change my permanent address, e-mail address or telephone number,
- I change my name (for example, maiden name to married name),
- I change my employer or my employer’s address or telephone number changes, and/or
- I have any other change in status that would affect my loan (for example, the loss of eligibility for an unemployment deferment by obtaining a job).

3. Payment of Interest - The federal government will pay interest that accrues during deferment on the portion of the consolidation loan that repays subsidized Federal Stafford loans, subsidized Federal Direct Stafford loans, subsidized FISL loans, subsidized Federal Consolidation Loans and subsidized Federal Direct Consolidation Loans. I will be responsible for interest that accrues during deferment on the portion of the consolidation loan that repays other loan types.

I am responsible for paying the interest that accrues during a forbearance period. (See Item 9 entitled “Forbearance.”)

If I choose not to pay the interest that accrues on my loan during any period of authorized deferment or forbearance, the interest may be capitalized to the extent permitted by the Act. Capitalization of interest will result in the unpaid interest being added to the principal balance of the loan.

4. Sale or Transfer of Loan - The lender may sell or otherwise transfer my loan without my consent. Should ownership of my loan be transferred, I will be notified of the name, address, and telephone number of the new lender if the address to which I make my payments changes. Sale or transfer of my loan does not affect my rights and responsibilities under such loan.

5. Consequences of Default - Default is defined in detail in my Note. If I default, the entire unpaid balance and collection fees will become immediately due and payable. Failure to repay this loan according to its terms and conditions may result in any or all of the following:

- Loss of federal and state income tax refunds,
- Loss of other federal or state payments,
- My employer withholding part of my wages to give them to my guarantor (administrative wage garnishment),
- Legal action against me,
- Collection charges (including attorney’s fees) being assessed against me,
- Loss of my professional license,
- An increase in my interest rate,
- Loss of eligibility for other student aid and assistance under most federal benefit programs,
- Loss of eligibility for loan deferments, and
- Negative credit reports to credit bureaus.

6. Credit Bureau Notification - Information concerning the amount, disbursement, and repayment status (current or delinquent) of this loan will be reported to one or more

national credit bureau organizations on a regular basis. If I default on my loan, the default will also be reported to national credit bureaus. The guarantor will notify me in advance that default information will be disclosed by my guarantor to national credit bureaus. Before my guarantor reports such a default, it will give me at least 30 days notice that default information will be disclosed to a credit bureau unless I enter into repayment arrangements within 30 days of the date on the notice. My guarantor will give me a chance to ask for a review of the debt before the default is reported. My lender and guarantor must provide a timely response to a request from any credit organization regarding objections I might raise with that organization about the accuracy and completeness of information reported by the lender or guarantor.

7. Loan Discharge - If I am applying singly for a Federal Consolidation Loan, my loan will be discharged if documentation of my death is submitted to my lender. My loan also may be discharged, if I become totally and permanently disabled. A complete application for loan discharge must be submitted to my lender, and documentation verifying the total and permanent disability must be certified by my doctor.

I may not qualify for discharge on the basis of total and permanent disability for a condition that existed at the time I, or my spouse, received any of the loans that I am consolidating unless my doctor certifies that the condition substantially deteriorated after the loans were made. I understand that I may not qualify for a disability discharge if any loan I am consolidating does not meet the discharge conditions.

My loan will not automatically be discharged in bankruptcy. In order to discharge a loan in bankruptcy, I must prove undue hardship in an adversary proceeding before the bankruptcy court.

If I am applying jointly with my spouse for a Federal Consolidation Loan, both of us must have a dischargeable condition (which may be different for each spouse) for the loan to be discharged due to death, total and permanent disability, or bankruptcy.

In certain cases, the Act provides for loan discharge for borrowers who are unable to complete a course of study because the institution closes, or whose eligibility was falsely certified by the institution. The Act also provides for loan discharge in the amount of any required refund that my institution failed to make to my lender on my behalf. If I am applying jointly with my spouse for a Federal Consolidation Loan, and I qualify for discharge of a portion of the loan due to an institution closing, falsely certifying eligibility, or failing to make a required refund, that portion of the loan is dischargeable without my spouse also having to qualify for discharge.

Neither the lender, the guarantor, nor the Department of Education vouch for the quality or suitability of the academic programs offered by participating schools. Unless I qualify for loan discharge under the Act, I must repay the loans even if I do not complete my education, I am unable to obtain employment in my field of study, or I am dissatisfied with, or do not receive, the education I paid for with the loan.

I understand that, by consolidating, I may forego some discharges that might otherwise be available for the loans being consolidated.

All or a portion of my loan may be eligible for discharge under a Teacher Loan Forgiveness Program pursuant to the Act if I borrowed for the first time on or after October 1, 1998.

8. Deferments - Under certain circumstances, I have a right to defer (postpone) repayment. The types of deferments that are available to me depend on when I obtained the Federal Consolidation Loan. Upon request, my lender will provide me with a deferment application that explains the eligibility requirements. If I am in default on my Federal Consolidation Loan, I am not eligible for deferment unless I make payment arrangements satisfactory to my lender before the payment of a default claim on the loan.

If I consolidate my loans jointly with my spouse, we both must simultaneously qualify for the same or different deferments in order to postpone repayment on the loan. The maximum periods authorized for deferment on Federal Consolidation Loans are determined by the Act. The total deferment period combined for the borrower and spouse cannot exceed these limits.

- If I consolidate all of my eligible FFELP loans, the following deferments are available while I am:
- Enrolled at least half time at an eligible school,
 - Engaged in a full time course of study in a graduate fellowship program,
 - Conscientiously seeking, but unable to find, full-time employment (for up to three years), or
 - Experiencing an economic hardship as determined by federal law, including service as a Peace Corps volunteer (for up to three years).

My lender will process a half-time study deferment based on (i) my request along with document verifying my eligibility, or (ii) the lender’s receipt of student status information indicating that I am enrolled on at least a half-time basis.

In all other cases, I must request my lender to process a deferment and provide evidence that verifies my eligibility.

If I did not consolidate all of my FFELP loans, the deferment options available to me for this consolidation loan will be based on the deferment provisions that are in effect for the oldest outstanding loan not included in the consolidation loan. (See Item 3 entitled “Cost of Deferring Interest Payments.”)

9. Forbearance - If I am unable to make my scheduled loan payments, the lender may allow me to reduce my payment amount, to extend the time for making payments, or to temporarily stop making payments as long as I intend to repay my loan. Allowing me to temporarily delay or reduce loan payments is called a forbearance. Interest charges continue to accrue during a forbearance period.

- The lender may grant me a forbearance in the following circumstances:
- Financial hardship, and/or
 - Illness.

My lender is generally not required to grant a forbearance and may require me to provide my reasons for the request and other information.

The lender may grant me a forbearance to eliminate a delinquency that persists even though I am making scheduled installment payments. My lender may grant me an administrative forbearance for up to 60 days in order to collect and process documentation supporting my request for a deferment, forbearance, change in repayment plan, or consolidation.

- Circumstances that require my lender to grant me a forbearance include:
- Serving in a medical or dental internship or residency program, if I meet certain criteria.
 - Serving in a national service position for which I receive a national service education award under the National and Community Service Trust Act of 1993. In some cases, the interest that accrues on a qualified loan during the service period will be paid by the Corporation for National and Community Service.
 - Qualifying for partial repayment of my loans under the Student Loan Repayment Program, as administered by the Department of Defense.
 - Having a monthly debt burden for Title IV loans that collectively equals or exceeds 20% of my total monthly gross income (for up to three years).

If my spouse and I are consolidating jointly, we must simultaneously qualify for the same or different forbearance in order to forbear repayment of the loan.

If I choose not to pay the interest that accrues on my loan during any period of authorized forbearance, the interest may be capitalized to the extent permitted by the Act. Capitalization of interest will result in the unpaid interest being added to the principal balance of the loan.

10. Applicability to Aggregate Loan Limits - If the loans I have selected for consolidation were made under the Federal or Direct Stafford (subsidized, nonsubsidized, or unsubsidized), SLS, Perkins, or HPSL loan programs, a percentage of the outstanding balance on my consolidation loan will be counted towards the aggregate loan limits for each type of loan selected.

Important Notices

Privacy Act Notice

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authority for collecting the requested information from and about you is Section 484(a)(4)(B) of the Higher Education Act of 1965, as amended [20 U.S.C. 1091 (a)(4)(B)]. You are advised that participation in the Federal Family Education Loan Program is voluntary, but the requested information is necessary for participation.

The principal purpose of this information is to verify your identity, to determine your Program eligibility and benefits, to permit the servicing of your loan(s), and, in the event it is necessary, to locate you and to collect on your loan(s) if it becomes delinquent or defaulted.

The routine uses of this information include its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to guaranty agencies, to credit bureau organizations, to educational and financial institutions, and to agency contractors in order to verify your identity, to determine your Program eligibility and benefits, to permit the servicing or collecting of your loan(s), to counsel you in repayment efforts, to investigate possible fraud and to verify compliance with Program regulations, or to locate you if you become delinquent in your loan(s) payments or you default.

You must provide all of the information requested in order to have your application processed.

Section 7(b) of the Privacy Act of 1974 (5 U.S.C. 552a Note) requires that when any federal, state, or local government agency requests that you disclose your Social Security Number (SSN), you must also be advised whether that disclosure is mandatory or voluntary, by what statutory or other authority your SSN is solicited, and what uses will be made of it.

Section 7(a)(2) of the Privacy Act provides that an agency may continue to require disclosure of your SSN as a condition to grant you a right, benefit, or privilege provided by law in cases in which the agency required this disclosure under statute or regulation prior to January 1, 1975, in order to verify the identity of an individual.

Disclosure of your SSN is required to participate in the Federal Family Education Loan Program. The United States Department of Education has, for several years, consistently required the disclosure of the SSN on application forms and other necessary Federal Family Education Loan Program documents adopted pursuant to published regulations.

Your SSN will be used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) in order to record necessary data accurately. As an identifier, the SSN is used in such Program activities as determining your Program eligibility, certifying your school attendance and student status, determining your eligibility for deferment of payments, determining your eligibility for loan discharge, and for tracing and collecting from you in case you become delinquent in your loan payments or you default.

Financial Privacy Act Notice

Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), the U.S. Department of Education will have access to financial records in your student loan file maintained by the lender in compliance with the administration of the Federal Family Education Loan Program.

Paperwork Reduction Notice

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is xxxx-xxxx. The time required to complete this information is estimated to average 1.0 hours (60 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, DC 20202-4651. If you have any comments or concerns regarding the status of your individual submission of this form, write directly to the lender or guarantor identified on the top right hand corner of the Instructions for Completing Federal Consolidation Loan Application and Promissory Note.**